



Isiah Leggett
County Executive

Pradeep Ganguly, Ph.D.
Director

DEPARTMENT OF ECONOMIC DEVELOPMENT

Micro-Enterprise Loan Program Summary

Montgomery County created the Micro-Enterprise Loan Program (Program) in Fiscal Year 2008 to support micro-enterprises located in the County by providing financial assistance to these small businesses. The Program facilitates business development through direct loans or participation in loans made by other financial institutions, and is targeted at Montgomery County-based small businesses that have gross revenues of less than \$250,000 annually and fewer than five full-time-equivalent employees. To be eligible for consideration for financial assistance from the Program, businesses must also meet one of two primary tests: 1) Program funds must assist the creation or expansion of the business; or 2) Program funds must help retain and stabilize the business. In addition, the principals of the business must be at least 18 years of age and reside in Montgomery County. The maximum loan amount under the Program is \$15,000 for any one micro-enterprise, and loans will have maximum repayment terms of three years. Collateral may be required.

Applicants to the Program are rigorously screened and rated for the following elements of their proposed/existing business:

- 1) Financial history (if applicable, and including personal financial/credit history) and projections, including balance sheets, income statements, cash flow statements and bank statements (if applicable);
- 2) The background, experience and financial commitment of the principal(s) and key management personnel;
- 3) Statement of the amount, timing and projected use of the County's assistance;
- 4) Projected employment growth, and/or other positive economic impacts that the County's assistance will facilitate; and
- 5) The ability of the recipient business to generate sufficient income to service the requested loan.

Applications are further evaluated using the following "priority" criteria to arrive at a funding decision:

- 1) Priority is given to assistance that will improve the County's economy and advance the County's economic development objectives and strategies;
- 2) Priority is given to cases where the County's assistance will function as a catalyst to the company's subsequent capitalization;
- 3) Priority is given to women-owned or minority-owned businesses
- 4) Priority is given to cases where the company's business will create employment growth by creating new jobs within three to five years of funding; and
- 5) Priority is given to cases where private/bank financing is not available at the time of the Program application.

In order for the County to process a loan application, the applicant must submit with the application a payment of \$25 in the form of a check or money order made payable to Montgomery County, Maryland to cover the loan application and credit report fee.

In order to receive loan funds from the Program, applicants must agree to receive counseling, mentoring and training from the Maryland Small Business Development Center Network (and/or another outside party acceptable to the County) and must agree to develop a Technical Assistance Plan to help achieve business sustainability. Depending on the extent of analysis and research required to validate the proposed business concept/technology, applicants should allow for a processing time of 10 - 20 working days from the County's application acceptance date before receiving a funding decision. Once the applicant business accepts the County's funding offer, the actual closing generally will occur within 10 working days, depending on the applicant's ability to prepare and submit closing documents. Loans approved for funding by Montgomery County are subject to an origination fee equal to the greater of \$25.00 or 1% of the amount of the loan.

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E. BUSINESS LOAN ACCOUNTS

Supply the following information for all term loans, credit lines, mortgages, credit cards, equipment leases, etc. (attach additional sheets if necessary).

Name of Creditor	Lien or Loan	Original Amount	Outstanding Balance	Interest Rate	Monthly Payment	Collateral Pledged

F. OTHER BUSINESS INFORMATION

Please provide a yes or no answer to the following questions. If you answer yes to any question below, please explain on an attached sheet.

- Are the principals involved in any litigation or other legal claims? _____
- Is the business currently involved in any litigation or other legal claims? _____
- Has the business or any principal/owner ever declared bankruptcy? _____
- Are any federal, state or local taxes currently past due by the business or any principal? _____
- Is the company or any principal/owner liable on any debt not shown above? _____
- Is the company or any principal/owner contingently liable as guarantor or endorser? _____

G. SUPPORT MATERIALS NEEDED

Please provide the following with the Application:

- ☐ Business tax returns for the past two years with all supporting schedules
- ☐ Most recent fiscal year-end and quarterly financial statements including income statements and balance sheets
- ☐ Completed Personal Financial Statement Form for each principal owning at least 20% of the business
- ☐ Personal tax returns for the past two years with all supporting schedules
- ☐ Copy of equipment invoices and estimates
- ☐ Articles of Incorporation & Corporate By-Laws or Articles of Organization and Membership Agreement
- ☐ Copy of recent business plan
- ☐ Check for \$25 payable to Montgomery County, Maryland (for application and credit report fee).

H. AUTHORIZATION

I (We) certify that this application and all other information furnished now or in the future to Montgomery County are and shall be true and complete. As a condition precedent to receipt of funds for a loan from the County, I (we) agree to and shall receive counseling, mentoring and training from the Maryland Small Business Development Center Network (and/or another outside party acceptable to the County), and I (we) agree to and shall develop a Technical Assistance Plan to help achieve business sustainability.

By: _____
Signature of Authorized Signer Printed Name Title Date

By: _____
Signature of Authorized Signer Printed Name Title Date

CONSUMER REPORT AUTHORIZATION FOR COMMERCIAL USE

In connection with your application for commercial credit, the Montgomery County Department of Economic Development will obtain and review copies of your personal consumer credit report(s). Your authorization below is required in order to process your loan application.

Authorization

I (We), the undersigned, authorize the Montgomery County Department of Economic Development to obtain one or more personal/individual consumer report(s) on me (us) in connection with my (our) application for a commercial loan or commercial services. This authorization is of a continuing nature and may be relied upon until my (our) application is denied, withdrawn, or my (our) commercial relationship with Montgomery County Department of Economic Development is terminated.

Signature _____

Printed Name: _____

Title: _____

Date: _____

Signature _____

Printed Name: _____

Title: _____

Date: _____

PERSONAL FINANCIAL STATEMENT AS OF _____

Any principal of the company with an interest of 20% or greater is required to complete a Personal Financial Statement

Name Business Phone

Residence Address Residence Phone

City, State & Zip Code

Business Name of Applicant/Borrower

ASSETS	LIABILITIES
(in dollars)	(in dollars)
Cash on Hand & in Banks	Accounts Payable
IRA or Other Retirement Account	Notes Payable to Banks and Others (See Section 2)
U.s. Govt. & Marketable Securities (See Section 3)	Credit Cards
Non-Marketable Securities	Accounts & Bills Due
Accounts, loans & notes receivable	Unpaid Taxes (See Section 6)
Cash Surrender Value- Life Insurance (See Section 8)	Mortgages on Real Estate (See Section 4)
Real Estate (See Section 4)	Other Liabilities (See Section 7)
Automobiles-Present Value	
Personal Property (See Section 5)	Total Liabilities
Other Assets	Net Worth
(Describe in Section 5)	
Total Assets	Total Liabilities + Net Worth

ANNUAL INCOME	ANNUAL EXPENDITURES
Salary, Bonuses & Commissions	Mortgage/Rental Pmts.
Dividends & Interest	Taxes-Federal, State, Local
Real Estate Income	Other Contract Pmts (loans, car pmts, credit card pmts)
Other Income (Describe below)*	Alimony, Child Support, Maintenance
TOTAL INCOME:	TOTAL EXPENDITURES:

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

As Endorser or Co-Maker

Section 2. Notes Payable to Bank and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc)	How Secured or Endorsed Type of Collateral
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Name and Address of Noteholder(s)					

	Name of Securities	Cost	Market Value Quotation/Exchange	Total Value
Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of the statement and signed).				
Number of Shares				

	Property A	Property B	Property C
Section 4. Real Estate Owned. (List each parcel separately. Use attachments if necessary. Each attached must be identified as a part of the statement and signed.)			
Type of Property			
Name & Address of Title Holder			
Date Purchased			
Original Cost			
Present market value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. ().

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches).

Section 7. Other Liabilities. (Describe in detail).
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries).
I authorize Montgomery County to make inquiries as necessary to verify the accuracy of the statements made and to determine my credit worthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan.
Signature: _____ Date: _____ Social Security Number _____
Signature _____ Date: _____ Social Security Number _____

SECTION 2 - NOTES PAYABLE TO BANKS & OTHERS

Owing To	Original Date & Amount Borrowed	Present Balance	Monthly Payment	Date of Final Payment	Secured By (Describe Collateral)

SECTION 3 - U.S. GOVERNMENT & MARKETABLE SECURITIES

Number of Shares and Face Value of Bonds	Description	In the Name of	Are these Registered, Pledged or Held by Others?	Current Value	Method of Valuation

SECTION 4 - INVESTMENTS AND MORTGAGES ON REAL ESTATE

Description & Location of Real Estate	Date of Original Investment & Amount	% Owned by You	Market Value of Investment	Present Mortgage Balance	Monthly Payment	Mortgage Maturity Date	Owed to

SECTION 5 - PERSONAL PROPERTY

Describe property. If any property is pledged as collateral, state name & address of lienholder, amount of lien and terms of payment